



CITY OF HAYWARD

Hayward City Hall
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Cover Memo

File #: LB 23-029, **Version:** 1

DATE: June 20, 2023

TO: Mayor and City Council

FROM: Director of Finance

SUBJECT

Refunding Certificates of Participation: Adopt Resolutions Authorizing Issuance of Certificates of Participation in an Amount Not to Exceed \$55 Million to Refinance Prior Lease Payment Obligations

RECOMMENDATION

That Council adopts: 1) the two resolutions authorizing the Hayward City Council and the Board of Directors of the Hayward Public Financing Authority (the "City") to authorize delivery and sale of 2023 Refunding Certificates of Participation ("Refunding Certificates of Participation") in the principal amount not to exceed \$55 million to refinance the City's 2015 Certificates of Participation and 2014 Lease Agreement; and 2) the resolution authorizing and approving the recommended revisions to the City's Debt Management and Debt Disclosure Policies.

SUMMARY

This report provides analysis of refunding the 2015 Certificates of Participation and 2014 Lease Agreement to yield potential savings. Under current market conditions, the City's municipal advisor (NHA Advisors) and underwriter (BofA Securities, Inc.) estimate annual savings from a potential refunding of the 2015 Certificates of Participation to be approximately \$720,000 per year and net present value savings to be approximately \$1.9 million. Under current market conditions, it is estimated that a potential refunding of the 2014 Lease Agreement would result in a slight net present value loss. Staff and NHA Advisors continue to discuss the benefits of refunding the 2014 Lease Agreement.

For Council's consideration, this report also includes recommended revisions to the Debt Management Policy and Debt Disclosure Policy to ensure compliance with current Government Code, and industry best practices.

ATTACHMENTS

Attachment I	Staff Report
Attachment II	Authorizing Resolution - City of Hayward
Attachment III	Authorizing Resolution - Hayward Public Financing Authority
Attachment IV	Draft Trust Agreement

Attachment V	Draft Lease Agreement
Attachment VI	Draft Site Lease
Attachment VII	Draft Assignment Agreement
Attachment VIII	Draft Escrow Deposit and Trust Agreement
Attachment IX	Resolution Approving Debt Management and Debt Disclosure Policies Revisions
Attachment X	Exhibit 1 - Debt Management and Debt Disclosure Policies Revisions